



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 11, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
HALL OF JUSTICE REPAIR AND REUSE PROJECT
AWARD SUPPLEMENTAL AGREEMENTS
CAPITAL PROJECT NO. 86630; SPECS. 6649
CITY OF LOS ANGELES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This action will authorize the Department of Public Works (Public Works) to execute supplemental agreements with Nadel Architects, Inc. (Nadel), and Historic Resources Group, LLC, to respectively provide scoping/programming services and historic material review services needed to prepare a Request for Proposals (RFP) to implement the remaining portions of the Hall of Justice Repair and Reuse project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Public Works to execute a supplemental agreement with Nadel Architects, Inc., to prepare scoping documents and to provide programming services and additional project support services for the Hall of Justice Repair and Reuse project for a \$900,000 not-to-exceed fee and to establish the effective date following Board approval.
2. Approve and authorize the Director of Public Works to execute a supplemental agreement with Historic Resources Group, LLC, to provide peer review of historic rehabilitation efforts for the Hall of Justice Repair and Reuse project for a \$30,000 not-to-exceed fee and to establish the effective date following Board approval.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendations will allow for the preparation of scoping documents needed to prepare an RFP to implement the remaining portions of the Hall of Justice Repair and Reuse project located at 211 West Temple Street, Los Angeles, California, through a design-build or developer-driven lease/lease-back delivery method.

Background

On July 20, 2004, your Board authorized and established Capital Project No. 86630 for the Hall of Justice Repair and Reuse project using the standard capital projects process of design, bid, and build.

On August 26, 2004, your Board authorized Public Works to proceed with the project incrementally through the eight separate phases listed below:

- Phase I: Debris Removal: Removal of loose material, debris, and furniture from the building (*completed May 2005*).
- Phase II: Interior Demolition Design: Architectural/engineering services to prepare design documents for nonstructural interior demolition work (*completed April 2005*).
- Phase III: Interior Demolition: Perform interior nonstructural demolition activities (*completed June 2007*).
- Phase IV: Rehabilitation Design: Architectural/engineering services to prepare design documents for structural retrofit work and repair/rehabilitation work, including the installation of new building utility systems and tenant improvements, and performance of retrofit work (*partially completed*).
- Phase V: Bidding Rehabilitation Work: Bid repair/rehabilitation work.
- Phase VI: Rehabilitation and Construction: Perform repair/rehabilitation work.
- Phase VII: Tenant Improvements: Bid and construct tenant improvements.
- Phase VIII: Move In/Start Up/Close Out: Tenant departments take occupation of the building.

To date, four of these phases have been fully or partially completed. Phase IV Rehabilitation Design, was partially completed in January 2008 by obtaining jurisdictional review and approval of structural demolition and retrofit design construction documents. Full completion of Phase IV of the project has been on hold, however, due to protracted negotiations with the Federal Emergency Management Agency (FEMA), State Historic Preservation Office (SHPO), and the State Office of Emergency Services (OES) regarding the proper documentation of historic rehabilitation efforts required by a Memorandum of Agreement (MOA) entered into in June 2006 by FEMA and SHPO, with the County as a concurring party. In November 2008, the County requested a time extension from FEMA through 2012 to complete earthquake-related repairs and retrofit work resulting from the 1994 Northridge Earthquake. On October 12, 2009, the County's time extension request was denied by FEMA.

Despite FEMA's extension denial, the building's eligibility for listing under the National and State Registers of Historic Places will continue to require the project to maintain the historic rehabilitation scope of work. As such, requirements for historic preservation and/or restoration of the main loggia, elevator cars, eighth floor courtroom, and law library remain in place. Further, an interpretive program that retains representative jail cells and explains the historic usage of the Hall of Justice has also been retained in the project's program.

Development of Alternative Delivery Methods

On December 1, 2009, your Board directed the Chief Executive Office (CEO) to investigate the feasibility of completing Phase IV and delivering the remaining phases of the project under different delivery methods, including design-build and developer-driven lease/lease-back, and to return to your Board with recommendations for the most advantageous development structure for the restoration project.

In order to determine the feasibility of these competing project development structures and develop the most appropriate recommendation to your Board, we are working with Public Works to issue two distinct RFPs, which will solicit competitive proposals for a design-build approach and a developer-driven lease/lease-back delivery method. The RFP will be released concurrently and proposers may respond to one or both options. This approach should allow the CEO and DPW to identify the most advantageous delivery method to the County.

The successful proposer will be required to deliver the project in accordance with the historic rehabilitation measures to render the building operational with approximately 325,000 square feet of useable office space, including complete new utility systems for mechanical, electrical, plumbing, telecommunications, and other building components to

meet Leadership in Energy and Environmental Design (LEED) Silver certification and provide a new five-tier parking structure (three floors underground).

Once proposals are received and evaluated, we will return to your Board with recommendations that include:

- a final scope of the project, including tenants to occupy the building;
- a cost estimate for the remaining phases of the project and an updated budget; and
- the most appropriate and cost-effective delivery method and award of a contract for your Board's approval to complete the remaining project phases.

It is anticipated that we will return to your Board with recommendations in the fall 2010.

Supplemental Agreements

In order to finalize the RFP, a scoping package must be prepared. Nadel, which has provided design services on the project's previous phases, has agreed to prepare a scoping package and provide additional project support services for a \$900,000 not-to-exceed fee. Nadel's services will include the conversion of existing construction documents; preparation of performance specifications for all remaining phases of work, including tenant improvements and a new parking structure; preparation of a complete space program for the new tenants of the renovated Hall of Justice; and support services during the selection process. Nadel's fee for the scoping services has been reviewed by Public Works and is considered reasonable.

A supplemental agreement will also need to be executed with Historic Resources Group, LLC, for a \$30,000 not-to-exceed fee to provide peer review of historic rehabilitation design activities. Historic Resources Group, LLC's fee for these services has been reviewed by Public Works and is considered reasonable.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) through fiscal responsibility, service excellence, and organizational effectiveness by investing in public infrastructure that will provide an efficient workplace environment to better serve the local community and County residents. Rehabilitation and reuse of the Hall of Justice for use by the Sheriff's Department and other County departments is consistent with that goal.

FISCAL IMPACT/FINANCING

Due to cost savings realized in previous project phases, the remaining balance in the project budget will cover costs associated with the recommendations, resulting in no net increase to the project budget at this time.

Full costs of the later phases of the project, as well as long-term occupancy by County departments, will be further developed as costs are clarified. Additionally, the CEO will continue to investigate the most cost-effective financing package for the rehabilitation of the Hall of Justice to include tax-exempt bonds, Build America Bonds, or other financing sources to be used by the County if the design-build development structure is determined to be the most advantageous.

It is anticipated that savings for the cancellation of space leases for the Sheriff, District Attorney, Public Defender, and County Counsel will be sufficient to offset debt service on the refurbishment project. A full report on lease cancellations will be provided by the CEO in a separate report.

The project schedule and budget summary are included in the enclosure.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract will contain terms and conditions supporting your Board's ordinances and policies, including, but not limited to: County Code Chapter 2.200, Child Support Compliance Program; County Code Chapter 2.202, Contractor Responsibility and Debarment; County Code Chapter 2.206, Defaulted Property Tax Reduction Program; Board Policy 5.050, County's Greater Avenues for Independence and General Relief Opportunities (GAIN/GROW); Board Policy 5.060, Reporting of Improper Solicitations; Board Policy 5.110, Contract Language to Assist in Placement of Displaced County Workers; and Board Policy 5.135, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

The project is exempt from the Civic Art Policy established by your Board and no funds are allocated for a Civic Art Fee. During the rehabilitation and construction phases of the project; however, we intend to work with the County Arts Commission to develop recommendations for the inclusion of civic art at the Hall of Justice that will complement the historic fabric of the building and will be consistent with standards set by the Secretary of the Interior.

ENVIRONMENTAL DOCUMENTATION

On June 13, 2006, your Board certified an Environmental Assessment/Environmental Impact Report (EA/EIR), adopted a Mitigation Monitoring and Reporting Program (MMRP) and Environmental Findings of Fact and Statement of Overriding Consideration for the Hall of Justice Repair and Reuse project, and found that the project would have no adverse effect on wildlife resources. On June 16, 2006, a Notice of Determination was filed with the State of California in accordance with the California Environmental Quality Act.

The recommended actions are within the scope of the project in the previously certified EA/EIR.

The previously adopted MMRP will ensure compliance with the mitigation developed for the project to mitigate, reduce, or avoid significant effects to the environment. The successful proposer will be required to adhere to the requirements of the MMRP.

CONTRACTING PROCESS

On September 7, 2004, your Board approved and authorized Public Works to execute an architect/engineer agreement with Nadel to provide design services under Phase II, Interior Demolition Design. On August 8, 2006, your Board approved and authorized Public Works to execute a supplemental agreement with Nadel to provide structural demolition and retrofit design services. Approval of the recommendations will allow Public Works to execute Supplemental Agreement 2 with Nadel to provide scoping/programming services to support the preparation of the RFP. Nadel has agreed to provide the services for a \$900,000 not-to-exceed fee. The negotiated fee has been reviewed by Public Works and is considered reasonable for the scope of work.

On September 7, 2004, your Board also approved and authorized Public Works to execute a consultant services agreement with Historic Resources Group, LLC, to provide Historic American Building Survey services for the Hall of Justice Repair and Reuse project. Approval of the recommendations will allow Public Works to execute Supplemental Agreement 1 with Historic Resources Group, LLC, to provide peer review of historic rehabilitation design activities for a \$30,000 not-to-exceed fee. The negotiated fee has been reviewed by Public Works and is considered reasonable for the scope of work.

Thomas Properties Group, Inc., was selected and contracted to provide real estate development consultant services by the CEO under delegated authority.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will build upon the progress made thus far to complete the Hall of Justice Rehabilitation and Reuse project and eventually allow the Sheriff's Department and other County departments to move to the centrally located Hall of Justice, thereby improving access and communication among those departments and the Board of Supervisors, the Superior Court, and other related agencies.

CONCLUSION

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division; Arts Commission; and the Department of Public Works, Project Management Division II.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:GF:SK
DJT:JK:MV:zu

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Arts Commission
Auditor-Controller
Department of Public Works
Office of Affirmative Action Compliance

May 11, 2010

ATTACHMENT

**DEPARTMENT OF PUBLIC WORKS:
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I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Phase I Debris Removal	05/21/05*
Phase II Interior Demolition Design	04/04/05*
Phase III Interior Demolition	06/11/07*
Phase IV Rehabilitation Design	
a) Retrofit Design	01/01/08*
b) Rehabilitation Design	TBD
c) DPW and CEO Return to Board with delivery method and successful proposer recommendation for Phases V, VI, and VII	09/30/10
Phase V Bidding Rehabilitation Work	TBD
Phase VI Rehabilitation and Construction	TBD
Phase VII Tenant Improvements	TBD
Phase VIII Move In/Start Up/Close Out	02/07/14

*Indicates Completed Activity

II. PROJECT BUDGET SUMMARY (Through Phase IV)

Budget Category	Project Budget	Impact of this Action	Revised Budget
Phase I Debris Removal (Complete)	\$ 500,000	\$ 69,000	\$ 569,000
Phase II Non-Structural Demolition Design	\$ 2,225,000	\$ (715,500)	\$ 1,509,500
Phase III Interior Non-Structural Demolition (Complete) and Phase IV Structural Demolition/Retrofit Design	\$14,620,000	\$ (2,069,500)	\$ 12,550,500
Subtotal	\$17,345,000	\$ (2,716,000)	\$ 14,629,000
Design-Build/Lease-Lease Back RFP			
Scoping/Programming Package Development	\$ 0	\$ 900,000	\$ 900,000
Consultant Services	\$ 0	\$ 430,000	\$ 430,000
Miscellaneous Expenditures	\$ 0	\$ 35,000	\$ 35,000
County Services	\$ 0	\$ 611,900	\$ 611,900
Contingency	\$ 0	\$ 739,100	\$ 739,100
Total Budget	\$17,345,000	\$ 0	\$ 17,345,000